



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-363/OSPL-2016/ 1 2789-94

May 19, 2023

Subject: **Decision of the Authority in the matter of Quarterly Indexation/Adjustment of Tariff for Oursun Pakistan Ltd. [Case No. NEPRA/TRF-363/OSPL-2016]**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with revised tariff components (**Annex-I**) (02 pages) regarding quarterly indexation/adjustment of Oursun Pakistan Ltd. tariff for the quarter **April-June 2023** on account of US CPI, CPI (General), Exchange Rate, KIBOR and LIBOR variations in Case No. NEPRA/TRF-363/OSPL-2016.

2. The decision is being sent to the Federal Government for intimation and action, if any, by the Federal Government under Proviso (ii) of Section 31(7) of NEPRA Act, before its notification by NEPRA pursuant to the said Proviso of Section 31(7) of NEPRA Act, 1997.

Enclosure: As above


(Engr. Mazhar Iqbal Ranjha)

Secretary
Ministry of Energy (Power Division)
'A' Block, Pak Secretariat
Islamabad

Copy to: (alongwith copy of subject Decision):

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, K-Electric Limited (KEL), KE House, Punjab Chowrangi, 39 – B, Sunset Boulevard, Phase-II, Defence Housing Authority, Karachi
5. Chief Executive Officer, Oursun Pakistan Ltd., 10 Ali Block, New Garden Town, Lahore Tele: 042 – 35911 050 – 51

**DECISION OF THE AUTHORITY IN THE MATTER OF QUARTERLY INDEXATION/ ADJUSTMENT OF
TARIFF FOR OURSUN PAKISTAN LIMITED**

Pursuant to the decision of the Authority dated November 20, 2019 in the matter of tariff adjustment of Oursun Pakistan Limited (OSPL) at Commercial Operation Date (COD) and motion for recalculation decision dated January 10, 2020 notified vide S.R.O. 179(I)/2020 dated March 4, 2020 and corrigendum of S.R.O. dated April 7, 2020, the relevant tariff components of OSPL in respect of quarter April-June, 2023 have been revised on account of US CPI, CPI (General), exchange rate, KIBOR and LIBOR variations in accordance with the requisite indexation/adjustment mechanism stipulated in the above referred decision(s) of the Authority indicated in Annex-I.


2. The adjusted/indexed tariff attached as **Annex-I** is to be notified in the official gazette in accordance with the provision of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
3. K Electric Limited (KE) to ensure that all the payments are consistent with tariff determination.

AUTHORITY

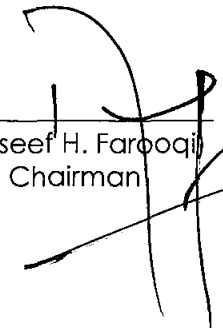

(Amina Ahmed)
Member


(Mathar Niaz Rana (nsc))
Member


(Engr. Maqsood Anwar Khan)
Member


(Rafique Ahmed Shaikh)
Member




(Tauseef H. Farooqi)
Chairman

Oursun Pakistan Limited
Quarterly Indexation/Adjustment of Tariff

Tariff Components	Reference Tariff	Revised Apr-Jun 2023	Indexation
Date of decisions	Nov 20, 2019 Jan 10, 2020		
	Rs./kWh		
*Fixed O&M-Local	1.2372	1.6523	CPI
Fixed O&M-Foreign	0.5302	1.8084	US CPI & Rs./US \$
Return on Equity	3.7430	10.1275	Rs./US \$
Principal repayment of debt-Foreign	1.6139	4.3668	Rs./US \$
Interest-Foreign	0.6906	2.8186	LIBOR & Rs./US \$
Principal repayment of debt-Local	4.2690	4.2690	-
Interest-Local	2.8830	7.6750	KIBOR
Total	14.9669	32.7176	
Indexation Values			Sources (Website)
CPI (General)-Revised value of Jun 2020	201.620	269.270	Pakistan Bureau of Statistics
US CPI - Revised value of Feb 2023	238.654	300.840	US Bureau of Labor Statistics
Exchange Rate- Revised rate of Mar 31, 2023	105.00	284.10	NBP
LIBOR 3 month- Revised rate of Mar 31, 2023	1.8857%	5.1927%	Global-rates.com
KIBOR 3 month- Revised rate of Mar 31, 2023	6.29%	21.98%	SBP
Principal Outstanding Foreign Loan (USD)		7,972,450	
Principal Outstanding Local Loan (Rs.)		2,407,218,300	
Quarterly Benchmark Energy (kWh)		19,710,000	

Above indexation is on the basis of the information provided by OSPL and verified by NEPRA. The value of 3 month LIBOR 21.98 % of March 31, 2023 has been used as against 21.80 % used by OSPL.

*For the purpose of indexation of Local O&M component for the quarter April-June 2023, the latest available data of CPI (General) i.e. for February 2023 published by Pakistan Bureau of Labour Statistics was required to be used. However, Pakistan Bureau of Labour Statistics has discontinued the publication of CPI for the base year 2007-08 w.e.f July 2020 and replaced the same with National-CPI for the base year of 2015-16.

The Authority vide its decision dated March 10, 2021 replaced CPI Base Year 2007-08 with N-CPI Base Year 2015-16, however, that decision shall be implemented upon Notification in the Official Gazette.

As per relevant provision of the EPA, the latest available CPI of June 2020 for base year 2007-08 has been used for the instant indexation/adjustment.

The indexation of Local O&M components is being made on provisional basis, subject to revision upon notification of the Authority's decision of revised index.

OSPL has claimed indexation of local O & M on N-CPI (Feb 2023) which shall be allowed upon notification of the Authority's decision.

